May 18, 2007 IBA REVIEW OF MAYOR'S FISCAL YEAR 2008 PROPOSED BUDGET ATTACHMENT

MAYOR'S "SIGNIFICANT AREAS"	AMOUNT	IBA POSITION/REMARKS
Pension Funding:		Agree, this is optional for FY08 but prudent, 20 year
		amortization required for FY09.
ARC	\$137.7 M	•
ARC+	20.0 M	
Retiree Health Payback	7.3 M	
IRS Payback	0.5 M	
Offset Contribution	19.2 M	
Total	\$184.7 M	
D. 4 77 11		
Retiree Health:		Agree, \$5.0M for Trust in FY07 Budget – when will Trust be established?
Pay As You Go	\$ 23.1 M	
Trust Fund	25.0 M	
Total	\$ 48.1 M	
Deferred Maintenance:		Agree, pending development of contingency plan to projects tied to land sales and Council approval of strategy on 5/21/07; projects need to be prioritized; inclusion of bond proceeds still under review by IBA.
Cash	\$ 13.2M	
Property Sales	15.3 M	
Bond Proceeds	24.8 M	
Total	\$ 53.3 M	
Reserves 6% of General Fund	\$ 66.1 M	Agree, need Reserves Policy.

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Agree, need to monitor department's ability to **Stormwater:** expend this increased allocation. \$ 19.7 M **Permit Compliance** Street sweeping/storm drains 22.9 M Total $42.6 \, \overline{M}$ **ADA Compliance Projects** \$ 10.0 M Agree, but ADA projects are tied exclusively to land sales, if sales not achieved, contingency plan is needed for ADA. MAYOR'S "CORRECTIVE ACTIONS" **AMOUNT** IBA POSITION/REMARKS **Leveraging of City Assets** \$ 15.4 M Council approval of strategy pending 5/21/07, need contingency plan if sales not achieved. Disagree, revenue should not be included in budget **Tourism Marketing District (TMD)** 5.0 M until after critical action steps including affirmative vote of hoteliers.

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Position Reductions:		Agree for FT, majority are vacancy reductions. Disagree with assessment of "no service level impacts." Disagree for PT – monies are not being reduced, positions are being removed from FTE count and from budget document. Lacks transparency/will reflect inaccurate FTE count/lose
		ability to accurately benchmark or analyze historical trends.
All Funds:	\$ uncertain	
671.5 full time		
177.3 part time FTE		
General Fund:		
296.1 full time	\$ uncertain	
170.0 part time FTE		
Business Process Reengineering (BPR)	\$ uncertain	Reductions are reflected in position counts above. IBA has confirmed 16.7 General Fund and 208.4 for All Funds. Others are vacancy reductions or tied to workload reductions. BPR process improvements also needed.
385.7 All Funds*		
71.9 General Fund		
Managed Competition	N/A	Schedule for Managed Competition process is uncertain, savings likely captured in BPRs.

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Budget Clean-Up		Agree, need details on cancelled encumbrances. Also, need annual systematic procedures for encumbrance review.
General Government Services Billing	\$ 5.8 M	
Release of Encumbered Funds	\$ 3.0 M	
Inactive Fund Balances	2.1 M	
Total	\$ 10.9 M	

^{*} Represents BPRs for Fleet Services, MWWD, Publishing, Streets, Engineering and Capital Projects, Police and Development Services.